2014
Annual Report

HAEMATO pharm

Key figures of HAEMATO AG Consolidated Financial Statements Overview

Key figures of HAEMATO AG's financial statements according to HGB (in kEUR)

	Fiscal year 2014	Fiscal year 2013
Total assets	58,792	64,854
Equity	52,776	58,710
Sales	1,120	27,332
EBIT	564	13,014
Net profit	300	13,305
Balance sheet profit	19,119	25,053

Key figures of HAEMATO Group's consolidated financial statements according to IFRS (in kEUR)

	Fiscal year 2014	Fiscal year 2013
Total assets	101,701	98,856
Equity	58,983	58,238
Sales	202,674	173,566
EBIT	8,233	9,934
Net profit	6,978	8,380
Balance sheet profit	25,340	24,596

Financial situation of HAEMATO Group according to IFRS (in kEUR)

	Fiscal year 2014	Fiscal year 2013
Assets		
Short-term assets	51,559	53,470
Long-term assets	50,142	45,386
Total Assets	101,701	98,856
Liabilities		
Short-term liabilities	25,663	22,150
Long-term liabilities	17,056	18,468
Equity	58,983	58,238
Total Liabilities	101,701	98,856

Content

Dear shareholders,
Ladies and gentlemen,

Sales of the pharmaceutical business expanded from 173.56 million Euro in 2013 to 202.67 million Euro in 2014.

Net profit decreased from 8.38 million Euro in 2013 to 6.99 million Euro in 2014.

For the year 2014 it is aimed to achieve further sales growth.

In the fourth quarter of 2014 and the first quarter of 2015 we have expanded our capacities in production, storage and distribution. This provides the basis for further growth.

The IFRS Group equity rose from 58.24 million Euro in 2013 to 59.00 million Euro in 2014. The successful business performance in the year 2014 has led me once again to propose an unchanged dividend of 30 Cent.

At this point I would like to thank our employees for their great commitment, which enabled the achievement of the mentioned results.

I would like to thank the supervisory board for their constructive collaboration.

Together with the committed employees of the HAEMATO Group I will continue the further expansion of the potentials of the Group in the year 2015.

Dr. Christian Pahl
Management Board

April 2015

Report of the supervisory board

1. Supervision of management and cooperation with the management board

In the financial year 2014, the supervisory board of HAEMATO AG fulfilled its duties according to the law and the statutes with great care. The management of the company has been supervised by the supervisory board. In the execution of the monitoring rights, the management board was consulted in its activity, by the supervisory board. The supervisory board has been involved in all decisions with fundamental importance for the company by the management board. The management board regularly informed the supervisory board orally, by telephone and in writing, on time about significant events of business operations, the economic situation of the company and the Group, the company's plans and investment measures. The supervisory board was able to convince itself of the proper governance of the company.

2. Meetings, consultations and resolutions

In the financial year 2014, the supervisory board held six ordinary meetings, four of which in the first half-year and two in the second half-year (08.04., 06.05., 27.05., 26.06., 14.10., 16.12.). All sessions reached quorum.

In the sessions, a.o. the following issues were central:

- the situation of the company
- the strategic development and its operative realization
- the current competitive, organizational and staff situation
- the short and medium term investment planning
- the annual and interim reports of the Group before their respective publication

Further informal meetings and phone conferences took place between the supervisory board and the management board to discuss new important business developments.

3. Annual financial statements

The supervisory board convinced itself of the proper management of the company. The annual financial statements established by the management board, the consolidated financial statements and the consolidated management report of HAEMATO AG and the Group for the financial year ending on December 31, 2014, accounting included, have been audited by the auditor nominated by the general shareholders' meeting, Gieron & Partner GmbH, Berlin, and confirmed with an unqualified audit opinion.

The annual financial statements, the consolidated financial statements, the consolidated management report of HAEMATO AG and the Group and the proposal for the appropriation of the balance sheet profit have been handed out to each member of the supervisory board in good time before the balance sheet meeting on March 24, 2015. In the balance sheet meeting on March 24, 2015, the auditor reported on the essential results of his audit and was available for questions of the members of the supervisory board. We have ourselves reviewed the annual financial statements established by the management board as well as the consolidated financial statements. In the supervisory board meeting on March 24, 2015, we approved the annual financial statements prepared by the management board and the Group financial statements. The annual financial statements are thus adopted.

In the supervisory board meeting on March 24, 2015, we have approved and taken note of the results of the auditor's audit and, after having conducted our own review of the annual financial statements, the Group financial statements as well as the proposal for the appropriation of the balance sheet profit, we have no objections.

4. Dependency report

For its financial year ending on December 31, 2014, HAEMATO AG prepared a dependency report according to § 312 AktG.

The dependency report has been audited by the auditor nominated by the general shareholders' meeting, Gieron & Partner GmbH, Berlin, according to § 313 par. 1 AktG. The auditor, Gieron & Partner GmbH, Berlin, has prepared a separate written report on the results of the audit. Since no objections were to be made against the report of the management board, the audit opinion has been issued as of March 20, 2015 according to § 313 par. 3 AktG.

In the balance sheet meeting on March 24, 2015, the auditor reported on the results of his audit and confirmed that the actual information of the dependency report is correct, that the consideration granted by the company in the legal transactions listed in the report were not too high or compensation for disadvantages was given and that with respect to the measures mentioned in the report, no circumstances could support any judgement substantially different from that of the management board.

The dependency report has been submitted to the supervisory board according to § 314 AktG. In its session on March 24, 2015 the supervisory board has comprehensively checked the dependency report for completeness and correctness. As a result, the supervisory board has concluded that no objections are to be made against the statement of the management board at the end of the report about the relations with associated companies and has approved the dependency report.

5. Composition of the supervisory board

In the period from January 1, 2014 to December 31, 2014, the supervisory board was composed in collaboration of the supervisory board members Andrea Grosse (chairwoman), Prof. Dr. Dr. Sabine Meck (deputy chairwoman) and Dr. Marion Braun (member).

6. Other

The supervisory board thanks Dr. Christian Pahl for the successful lead of the HAEMATO Group in 2014.

The Supervisory Board expresses its thanks to all employees of the HAEMATO Group for their commitment during the past financial year.

Berlin, March 24, 2015

Andrea Grosse
(Chairwoman of the supervisory board)

Consolidated management report of HAEMATO AG and of the Group

Consolidated management report of HAEMATO AG and of the Group

I. Basis of the Group

1. Business model of the Group

HAEMATO AG is a listed pharmaceutical company. The focus of the business activities lies on the growth markets of patent free and patent protected medicinal products. Focal points are therapies for cancer, HIV, rheumatism and other chronic diseases. The product portfolio is supplemented by botulinum toxin and hyaluronic acid for the privately funded market of aesthetic treatments. Our customers are particularly wholesalers and pharmacies as well as doctors and hospitals.

2. Research and development report

We do not conduct any research and development.

II. Economic report

1. General economic and industry-specific situation

a. Global economy

After a cautious global economic development in the first half of 2014, the world economy again expanded more dynamically in the second half of the year. Following a weak growth, both gross domestic product and world trade increased more strongly in the course of the year. For the whole of 2014 the Institute for World Economy assumes in its latest economic report just a slightly more dynamic growth of the world output of 3.4 % (2013: 3.2 %)[1].[2]

Within the industrial nations the growth dynamic is varied significantly. Although the economic development in the USA remained quite moderate in 2014, the trend was still significantly upward. Thereby in particular the labour market experienced a considerable upswing. After the incipient recovery in spring and the following stagnation, the economy in the euro zone, however, expanded only marginally. Consequently, the unemployment rate remained at a high level. In consideration of the weak economic development, inflation in the euro area receded at only 0.5 %.[3]

In the advanced economies the monetary policy is still expansive, but has begun to differentiate. So the central banks have started to take various measures depending on specific economic situations. Whereas the European Central Bank and the Bank of Japan have expanded its monetary policy further, the programme to purchase additional government bonds in the USA was terminated in autumn 2014.[4] In the emerging countries economy developed more dynamic in the third quarter, after a weak first half of 2014, but the underlying economic trend remained subdued.[5]

The Institute for World Economy forecasts an increased economic dynamic with growth rates of 3.7 % in 2015 and 3.9 % in 2016. Especially for the advanced economies higher expansion rates than in the previous two years are predicted. In particular the highly expansive monetary policy and the sharp decline in oil prices support the economy. In the next two years the Institute for World Economy expects a moderate expansion of the world trade as well to 4.5 respectively 5.5 %.[6]

The institute anticipates a gradual economic recovery in the euro region of 1.2 % respectively 1.5 % in 2015 and 2016. However, in parts of the monetary union structural problems continue to impede economic growth.[7]

b. Economic environment in Germany

In a difficult world economic environment the German economy has still proven to be stable in 2014. After a strong start to the year, a period of weakness followed. But at the end of the year the German economy was able to regain stability. In 2014 the gross domestic product adjusted for price expanded much more dynamically than in 2012 and 2013 by 1.6 % according to calculations published by the Federal Statistics Office.[8] Thus, the growth of the gross domestic product outstripped the average of the last decade of 1.2 %.[9]

As already in the previous year, the domestic consumer climate was the key driver of the positive economic development, benefiting from the favourable employment and earnings prospects as well as declining energy prices.[10] Adjusted for inflation, the private consumption expenditures grew by 1.0 % in 2014 and government expenditures increased by 1.1 %.[11]

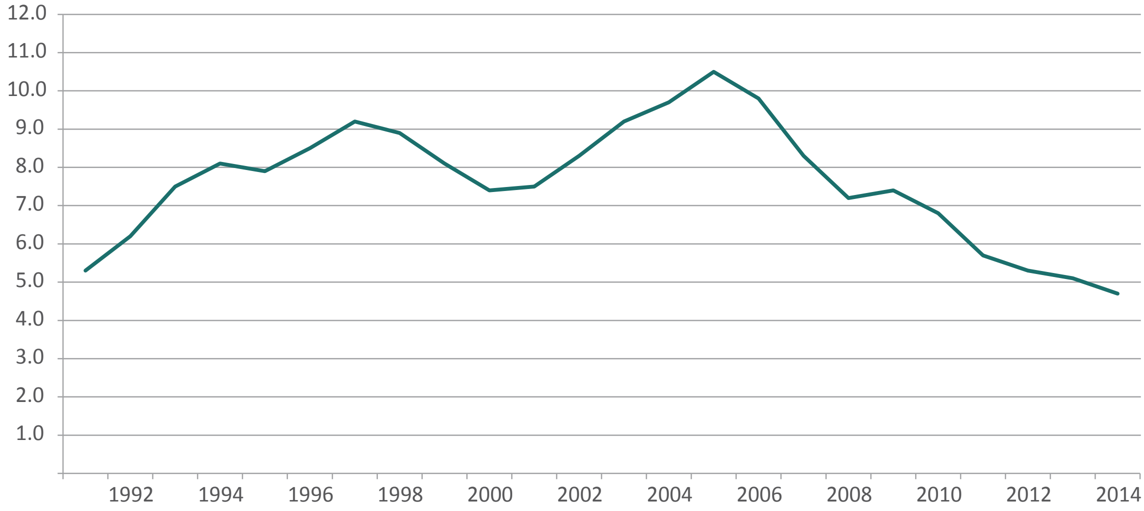
Aside, positive impulses were provided by investments and foreign trade. Gross investments were 1.7 % above the prior year. The rise of the gross investments were mainly attributable to investments in plant and equipment such as machinery, appliances and vehicles, with an increase of 3.7 % and construction investments with a growth rate of 3.1 %. Despite a constant difficult external environment, foreign trade regained some dynamics. Exports of goods and services rose by a price-adjusted 3.7 %. However, imports increased at a similar rate by 3.3 %. Thus, the foreign trade made a relatively small contribution of 0.4 %. But in 2013 this contribution was negative.[12]

In 2014 the situation on the labour market could also continue to improve. The number of people employed grew by 0.9 % and reached a new high for the eighth time in a row, with 42.7 million persons. The unemployment rate reached a historical low. After a record high in 2005, the unemployment rate has halved and was at its lowest level since reunification at 4.7 %.[13]

According to the Institute of World Economy the economic situation is to continue to improve further in 2015 and 2016. Positive impulses will still emanate from private consumption, which will be stimulated by rising incomes and the downslide in the oil price. Due to the continued favourable financing conditions and cyclical upward forces, investment activities will gradually rise and fuel economy. Thus the Institute for World Economy expects an increase of the gross domestic product of 1.7 % in 2015 and 1.9 % in 2016.[14]

Unemployment rate in Germany

by ILO from 1991 to 2014 (in %)



Source: Federal Statistical Office.

c. The global pharmaceutical market

The pharmaceutical market is one of the fastest growing and most stable sectors worldwide. The strong demand for pharmaceuticals is still being driven by the demographic development. Whereas better opportunities for diagnosis and therapy of chronical diseases and an ageing society corner the market of the developed countries, the market of the emerging countries is characterized by population increase and an improved access to health services.[15]

In 2013 sales of the global pharmaceutical market rose by 2.4 % to over 980 billion US-Dollars. Thereby, the USA, Europe and Japan accounted for over 70 % of the total turnover. In 2013 the European pharmaceutical market increased by 5.6 % in comparison to the previous year.[16]

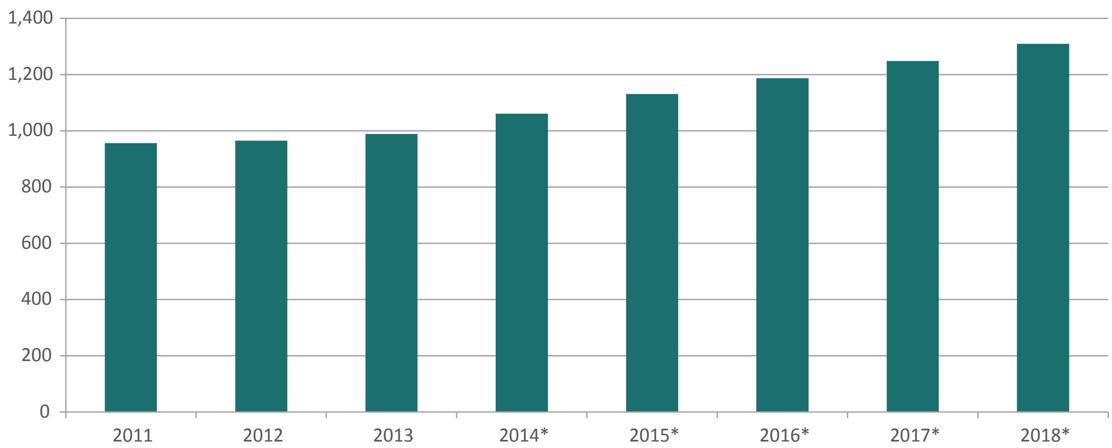
With regard to the individual growth rates, a tense situation in the different pharmaceutical markets is still been noticeable. Thus, Greece, Finland, France and Portugal experienced negative expansion rates, whereas Great Britain with a plus of 17 % and Germany with a plus of 5 % achieved the highest growth.[17]

According to the latest study by the IMS Institute for Healthcare Informatics, the worldwide pharmaceutical expenditures will increase by up to 30 % to 1.3 trillion US-Dollars between 2013 and 2018. With a compound annual growth rate of between 4 to 7 % the growth dynamics will slightly accelerate compared to an annual growth rate of 5.2 % in the previous five-year-period.[18]

The main drivers of the stronger growth are the developed markets. Especially the USA and Japan contribute to growth, while growth rates in the EU5 nations remain on a relatively low level.[19] Due to cost containment measures, that depress price levels, expansion rates in the pharmaceutical markets of Germany, France, Spain, Great Britain and Italy were comparatively low. Within the EU5 nations, Germany and Great Britain will record the largest growth between 2013 and 2018. In Spain and France growth rates will be nearly at zero or even negative. For the five European countries the IMS Institute expects average growth rates of between 1 and 4 % in the coming years.[20]

Pharmaceutical expenditures worldwide

in Bn. US-Dollar



* forecasted average

Source: IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018.

d. The German pharmaceutical market

Germany is the world's fourth largest pharmaceutical market and the largest in Europe. In addition, the Federal Republic follows Switzerland as the second largest pharmaceutical manufacturer in Europe.[21] Thus the German pharmaceutical market showed a solid growth, despite a tense situation in different pharmaceutical markets in Europe and ongoing cost containment measures[22].

In 2014 sales of the total pharmaceutical market, consisting of clinic and pharmacy market, increased by 5.2 % to 36.2 billion Euro (manufacturer sales prices not including any rebate). This rise is mainly attributable to the high growth of the pharmacy market that dominates the total market with a share in sales of 87 % and a share in product quantities sold of 91 %.[23]

Pharmaceutical sales in the pharmacy market increased by 11.2 % to 29.7 billion Euro. High sales growth was partially due to the reduction of the compulsory manufacturer discount for patent-protected pharmaceutical products not subject to the reference price system from 16 % to 6 % at the beginning of the last year and to 7 % from April onward. Accordingly, the pharmacy market recorded its strongest growth within the segment of prescription medicines. Thus, sales of rx-bound drugs increased by 12.8 %, whereas non-prescription drugs only grew by 2.8 %.[24]

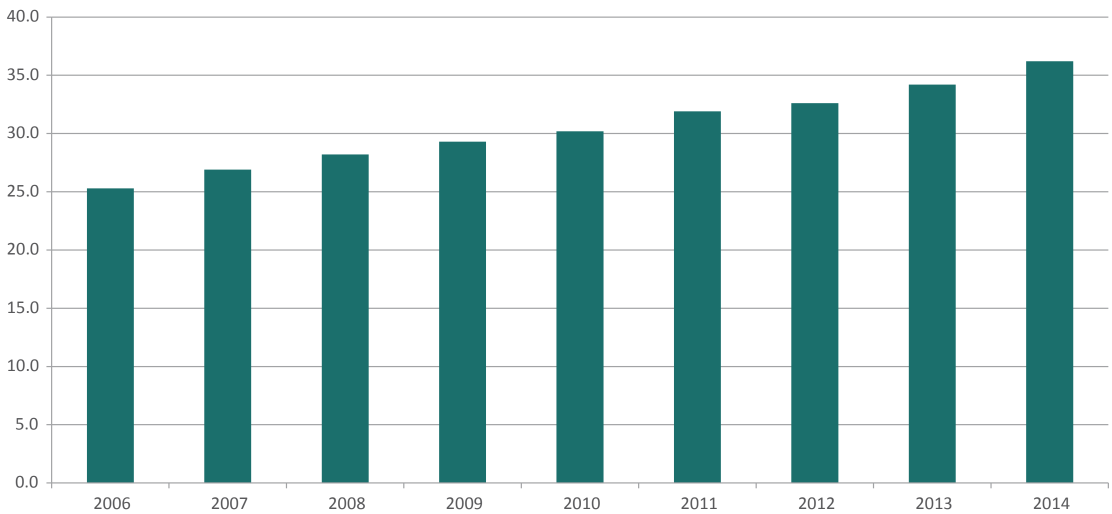
The ten leading therapeutic groups by sales in the pharmacy market recorded a 21 % growth. Especially new product launches for the therapy of hepatitis C, that were responsible for an augmentation of sales of virustatics exclusive HIV products by nearly 222 %, were the sales drivers. Further, protein kinase inhibitors for the treatment of cancer rose by 18.1 % and virustatics for the treatment of HIV increased by 15.1 %.[25]

As a consequence of the reduction of the compulsory manufacturer discount, rebates of the manufacturer granted to the statutory health insurance providers declined by 40 % compared to the previous year. Discounts for the private health insurance providers decreased by 34 % to 313 million Euro. Due to manufacturer discounts and pharmacy discounts the health insurance providers could still save over 3 billion Euro in 2014. For the pharmaceutical companies the burden totalled more than 2 billion Euro.[26]

As one of the world's strongest growth markets, Germany remains number four until 2018.[27] According to the IMS Health Institute growth drivers will be above all specialty medicines and generics.[28] This market trend provides a good precondition for the further success of the HAEMATO Group, whose business model is focused on these segments.

Sales development of the total pharmaceutical market

in Bn. Euro



Source: IMS Health market reports.

e. The generics market

The value of the global generics market is estimated at 168 trillion US-Dollar and is projected to expand until 2018 with an annual average growth of 11 % to 283 trillion US-Dollar. Internationally, generics are the largest growth drivers.[29] Currently, over 50 % of the worldwide pharmaceutical expenditures were provided for generics. Their share of spending in Europe accounts for 46 %.[30] The quota varies considerably by country.[31]

Within the German pharmaceutical system generics have gained a growing importance over the last years, as due to an equivalent treatment with these patent-free medicines the daily therapy expenses are much lower than with patent-protected or off-patent medicines. By now, 75 % of the medicines demand of statutory health insurances have been covered by generics.[32] Therefore, they make an essential contribution to an efficient supply of medicinal products and to a financial sustainability of healthcare.

In 2014 generics saw an increase in revenue at pharmacies of 5.3 % to 6.23 billion Euro (manufacturer sales prices not including any rebate). Unit sales rose by 1.3 %, whereas the development of volumes in the total pharmacy market stagnated.[33]

Due to the use of generics, the statutory health insurance providers could be relieved of over 11 billion Euro in the first ten months of 2014.[34] According to the Pro Generika projections, savings in 2014 amounted to 14 billion Euro. But the savings potential has not been exhausted completely. The statutory health insurance providers would have been able to save an additional 2.9 billion Euro through an increased use of generics.[35]

f. EU import drugs

In the German healthcare system, EU import drugs are essential components of a sustainable provision of pharmaceuticals with consistently high quality and highest safety standards.

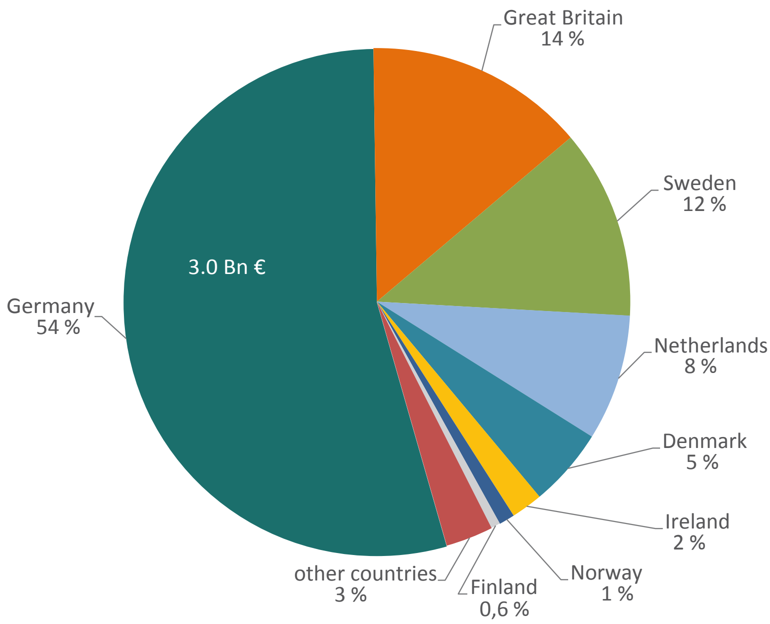
EU import drugs are generally patent-protected originals, that are produced by international pharmaceutical groups. As the European pharmaceutical market is divided into individual national markets, there are different price levels. Parallel importers like the HAEMATO Group utilise these price differences by purchasing original preparations at favourable prices from an EU state in order to re-sell them in Germany or in another EU state.[36]

Within the European Economic Area, the German parallel import market dominates with a market share of 54 % (12 monthly values, June 2014). After a slight decline of parallel imports in Germany in 2013, sales rose again by 4 % (12 monthly values, June 2014)[37]. In 2014 the market share in terms of sales on the total pharmaceutical market (sales at pharmacy sales prices) increased from 15.9 % to 17.5 %.[38] This growth was partially due to the reduced compulsory manufacturer discount from 16 % to 6 % respectively 7 % since April 2014.[39]

For the statutory health insurance providers considerable savings potentials emanate from the EU import market in Germany. Solely in 2013 the direct savings for prescription medicine amounted to 174 million Euro. For the year 2014 savings are estimated to 222 million Euro. Despite a positive development of the market for EU import drugs, the annual savings potential is above 340 million Euro, according to the latest estimates of Prognos AG. Hence, in the past over 50 % of the existing potential has not been exploited.[40] Additionally, due to price-damping competitive effects of imports, there are further indirect savings[41], whose volume can hardly be estimated.

In Germany the parallel import or reimport of medicinal products is mainly concentrated on special markets resp. on certain therapy areas. Thus, oncological agents and drugs for the treatment of the central nervous system make up more than 40 % of the drug imports[42] – therapeutic areas, which amongst autoimmune and respiratory diseases will generate most of the growth in the developed countries until 2018, according to the IMS Institute.[43] For that reason further growth and a considerable savings potential by EU import drugs is anticipated over the next years.

Parallel imports in terms of value in Europe



Source: IMS Health: Parallelhandel: Welche Faktoren bestimmen den Warenstrom in Europa? Frankfurt 2014, p. 3.

2. Development and performance

As a manufacturer of pharmaceuticals the HAEMATO Group markets own generic medicinal products as well as European import drugs. In addition, other manufacturers' medicinal products legalized in Germany are offered by the HAEMATO Group within the scope of wholesale trade authorisation.

In 2014, turnover increased to 202.67 million Euro (previous year 173.57). The turnover growth was 16.8 %.

The annual net income amounted to 7.0 million Euro in 2014 (previous year 8.38 million Euro).

The manufacturer discount decreased in January 2014 from 16 % to 6 % and increased to 7 % in April, supported earnings situation of the pharmaceutical manufacturer for the entire financial year.

In their daily work, the HAEMATO Group and all employees are primarily oriented towards the requirements of the customers. Service, quality and reliability are significant components of our customer orientation and at the same time driving factors for further growth.

3. Situation

a. Earnings situation of HAEMATO Group (IFRS)

Revenues are mainly realised by parallel imports.

The material cost share compared to the turnover of the corporate Group improved from 93 % in 2013 to 92 % in 2014.

Due to insourcing, the payroll portion has increased from about 2 % to 2.2 % in 2014 compared to the previous year. Our employment position can be designated as being good.

b. Financial situation of HAEMATO Group (IFRS)

Our financial position can be designated as being very stable. Our financial management is directed towards always balancing accounts payable within the payment deadline and receiving receivables within the due dates for payment.

Our capital structure is good. Equity increased from 58,238 kEUR in 2013 to 58,983 kEUR in 2014. The dividend payment amounted to kEUR 6,234 (previous year: kEUR 3,132). Equity ratio fell slightly from 58.91 % in 2013 to 58.00 % in 2014.

Liabilities to financial institutions made up 22.9 % of the balance sheet total. Liabilities to financial institutions as of the balance sheet date remained relatively stable compared to the previous year. For the purpose of financing our sales business, we make use of the credit limits made available by our banks. Our credit limits are on average higher than we utilise.

Trade payables accounted for 7.1 % of the balance sheet total. All liabilities could always be settled within the payment deadlines.

In the financial year 2014 we have invested in the retrofitting and expansion of a logistics area of about 1,200 m². Another focus of our investment activities lies in the obtaining of licenses.

Long-term investments are covered by our equity.

Participation certificates make up 5.1 % of the balance sheet sum. As of the reporting date HAEMATO AG holds own participation certificates with a total nominal value of 103.0 kEUR (1,030 participation rights x 100 EUR).

All participation certificate holders receive a payout of 9 % per annum of the nominal value of their participation certificates prior to the profit share for HAEMATO AG shareholders. As of the record date emitted participation certificates totalled 5.3 million Euro.

The liquidity position is satisfactory. Due to the expansion of our product portfolio, our stocks of finished products and goods have been developed through the extension of our product portfolio. This ensures our customer loyalty.

The financial development of the HAEMATO Group in the reporting area is represented as follows on the basis of the cash flow calculation with indirect determination of the cash flow from current business activity:

	2014 kEUR	previous year kEUR
Cash Flow from operating activities	6,561	-3,824
Cash Flow from investment activities	-1,832	3,572
Cash Flow from financing activities	-5,621	2,065
Cash Flow from change in the basis of consolidation	0	-6,026
	-892	-4,212

c. Assets situation of HAEMATO Group (IFRS)

Compared to the previous year's balance sheet date the financial position of the HAEMATO Group has improved. The financial position of the HAEMATO Group is characterised by increased stocks (34,188 kEUR; previous year: 30,786 kEUR) and by increased trade receivables (10,478 kEUR; previous year: 7,107 kEUR). The fixed assets rose from 45,386 kEUR in 2013 to 50,142 kEUR in 2014.

Our financial position can overall be termed as being good.

d. Earnings situation of HAEMATO AG (HGB)

In the financial year 2014 HAEMATO AG was able to achieve an annual profit of 300 kEUR (previous year: 13,305 kEUR).

Turnover in the financial year 2014 amounted to 1,120 kEUR (previous year: 27,332 kEUR).

The other operating income totalled 40 kEUR (previous year: 40 kEUR).

e. Financial situation of HAEMATO AG (HGB)

The financing of the HAEMATO AG is largely based on equity to the amount of 52,776 kEUR (previous year: 58,710 kEUR) and on circulating participation certificates at a nominal value of 5,312 kEUR (previous year: 5,312 kEUR).

As of December 31, 2014 HAEMATO AG has liquid assets to the amount of 912 kEUR (previous year: 2,354 kEUR).

At the end of the financial year 2013 HAEMATO AG had an equity ratio of 90.5 %. In the financial year 2014 equity ratio remained relatively stable at 89.76 %.

Accruals of HAEMATO AG amounted to 136 kEUR (previous year: 298 kEUR) as of December 31, 2014.

As of the reporting date HAEMATO AG holds own participation certificates at a total nominal value of 103.0 kEUR (1,030 participation rights x EUR 100). All participation certificate holders receive a payout of 9 % per annum of the nominal value of their participation certificates prior to the profit share for HAEMATO AG shareholders.

f. Assets situation of HAEMATO AG (HGB)

The financial position is mainly characterised by an increase of the shares in associated companies by 820 kEUR, an increase of the security papers within the fixed assets by 3,830 kEUR, a decrease of receivables from associated companies by 3,130 kEUR and by a decrease in cash and bank deposit by 1,442 kEUR.

4. Financial key performance indicators of HAEMATO Group (IFRS)

For our internal corporate management we utilise the key performance figures return on equity and EBIT.

The return on equity before tax is 11.6 % (previous year 15.5 %) in the financial year 2014.

EBIT amounts to 8,234 kEUR (previous year 9,934 kEUR), EBITDA is 10,289 kEUR (previous year 11,747 kEUR).

The HAEMATO Group operates overall profitable, and the economic situation can overall be described as being good.

III. Subsequent report

Events of special importance after the end of the financial year did not occur.

IV. Outlook

We assess the foreseeable development of the HAEMATO Group as being positive. The pharmaceutical sector offers a large growth potential in the areas generics and European import drugs, if service, price and quality are strictly directed towards the customer requirements. We encounter the risks of supply bottlenecks through the establishment of several suppliers for the majority of the products.

In the following financial year 2015 we expect an increase of the sales volume.

We will also in future always be in the position to fulfil our payment obligations on schedule.

V. Risk report

There are no significant currency risks that could influence the assets, financial and earnings position of the company. Goods deliveries from foreign currency countries are transacted within very short deadlines.

We will continue to encounter the competition in the market by service, reliability and a high level of quality.

On the procurement side we can access a wide range of supply possibilities. To minimize business risks we diversify our sources of supply Europe wide. We secure our high quality demands through careful supplier qualification and selection as well as active supplier management.

1. Risk report

a. Industry-specific risks

Continuous legislative regulation measures, a strong margin pressure in the pharmaceuticals market, as well as the continuous change of the parallel import market through exchange rate risk and price differences in the procurement of medicinal products can have a negative influence on our turnover and earnings situation.

b. Profit-related risks

Due to new competitors in the sector the competitive risks have increased. As our products offer real cost and competition advantages, we assume that our economic performance risks have remained stable in comparison to the previous year. We assume that we will over the medium term be able to further expand our market shares. However, during the course of further organisational optimisation there may be associated extraordinary additional costs.

c. Financial risks

Due to the stable liquidity and equity situation of our company liquidity risks are currently not able to be identified.

There are no significant currency risks that could influence the asset, financial and earnings position. Goods deliveries from foreign currency countries are transacted within very short deadlines.

The liquidity position is satisfactory; no bottlenecks are to be expected.

d. Risk management system

The HAEMATO Group utilises a risk management system for the systematic identification of significant risks concerning the survival of the company, to assess their effects and to develop suitable measures.

The objective of the risk management system is largely to prevent financial losses, dropouts or disruptions, or to implement suitable countermeasures without delay. Within the scope of this system the management board and the supervisory board are informed of risks at an early stage. Important early detection mechanisms are thereby the monitoring of the liquidity and the earnings development. The monitoring of the operative development and the determination of planning deviations in good time are the tasks undertaken by controlling. If necessary the respective responsible parties of the speciality departments together with the management board decide about the appropriate strategy and measures for the management of the risks.

2. Opportunities report

The health market is and remains a growth market. Due to our specialisation in the therapy areas oncology, HIV and other chronic diseases we will participate in this growth.

On the procurement side we can access a wide range of supply possibilities. For the minimisation of the business risks we diversify our sources of supply Europe wide. We secure our high quality demands through careful supplier qualification and selection as well as active supplier management.

We will continue to take on the competition in the market, above all through the increasing competition of the providers in our segment, by experience, innovation, reliability and a high level of quality.

3. General statements

We still see the risks for the future development in a difficult competition environment, increasing purchase prices and the stagnating selling price level. On the background of our financial stability, we, however, see ourselves as being well-equipped for managing the future risks. Risks that could endanger the survival of the company are currently not able to be identified.

VI. Risk report on the use of financial instruments

The financial instruments held by the Company primarily comprise securities, receivables, accounts payable and credit balance at credit institutes.

The company has a solvent customer base. Losses of receivables are the absolute exception. In addition there is credit insurance in place for potential failure of receivables.

Liabilities are settled within the agreed payment deadlines.

In the short term the company largely finances itself by supplier credits and credit lines with different banks.

In managing the financial positions the corporate Group follows a conservative risk policy.

If default and credit risks are recognisable in financial assets, appropriate impairment losses were recognised. To minimise default risks, the company operates an adequate debtor management system. In addition there exists commercial credit insurance. Furthermore, before engaging in a new business relationship we always acquire information about the creditworthiness of our customers.

VII. Report on branches

HAEMATO AG does not have any branches.

VIII. Final statement according to § 312 n° 3 par. 3 AktG

According to § 312 AktG, the management board has prepared a report on the relationships with associated companies containing the following final statement: „According to the circumstances known to us at the moment in which legal transactions have been concluded with the dominant company and other associated companies, our company and the subsidiaries have received an appropriate return in each legal transaction.‟

Berlin, February 28, 2015

HAEMATO AG

Dr. Christian Pahl
(Management Board)

Consolidated financial statements

1. Consolidated balance sheet - Assets

as of 31 December 2014*

	Notes	2014 EUR	2013 kEUR
Cash	5.1	2,423,713.03	3,316
Trade receivables	5.2	10,477,819.17	7,107
Inventory	5.3	34,187,632.79	30,786
Other short-term financial assets	5.4	2,743,401.18	11,277
Other short-term assets	5.4	173,594.77	144
Income tax receivables	5.4	1,553,202.62	840
Short-term assets		51,559,363.56	53,470
Intangible assets	5.5	6,770,310.01	8,001
Company value	5.5	34,583,688.64	34,584
Tangible assets	5.5	1,093,534.00	353
Prepayment on intangible and tangible assets	5.5	84,356.25	100
Financial assets	5.6	7,480,417.24	2,237
Other long-term assets	5.7	129,679.80	111
Long-term assets		50,141,985.94	45,386
TOTAL Assets		101,701,349.50	98,856

* Accounting under IFRS

2. Consolidated balance sheet - Liabilities and Equity

as of 31 December 2014*

	Notes	2014 EUR	2013 kEUR
Accruals	5.8	3,242,664.87	1,703
Bank loan	5.9	12,553,478.25	11,270
Trade payables	5.9	7,244,075.43	6,660
Other short-term financial liabilities	5.9	474,199.49	1,272
Other short-term liabilities	5.9	2,148,294.67	1,245
Short-term liabilities		25,662,712.71	22,150
Accruals	5.10	20,935.41	79
Bond loan (participation certificate)	5.11	5,209,300.00	5,209
Bank loan	5.12	10,750,000.00	11,850
Deferred tax	5.13	1,075,732.67	1,330
Long-term liabilities		17,055,968.08	18,468
Share capital	5.14	20,778,898.00	20,779
Capital reserve	5.14	7,571,981.01	7,572
Legal reserve	5.14	1,155,154.89	1,155
Other revenue reserve	5.14	4,136,318.79	4,136
Balance sheet profit	5.14	25,340,316.01	24,596
Equity		58,982,668.70	58,238
TOTAL Liabilities		101,701,349.50	98,856

* Accounting under IFRS

3. Consolidated profit and loss summary account

for the period from 1 January to 31 December 2014*

	Notes	2014 EUR	2013 kEUR
Sales	8.1	202,674,378.36	173,566
Increase in inventories of finished and unfinished goods	8.2	0.00	3
Other operating income	8.3	4,500,912.96	8,403
Cost of materials			
> Cost of purchased goods, services and properties	8.2	-186,375,486.66	-161,848
Labour cost			
> Salaries		-3,731,746.59	-2,928
> Social insurance contribution		-769,856.68	-612
		-4,501,603.27	-3,540
Depreciation / Amortisation	8.4	-2,055,829.17	-1,813
Other operational expenses	8.5	-6,008,901.74	-4,837
EBIT (earnings before interest and tax)		8,233,470.48	9,934
Interest income	8.6	184,915.76	443
Interest expense	8.7	-1,551,058.66	-1,370
Financial result		-1,366,142.90	-927
EBT (earnings before tax)		6,867,327.58	9,007
Income tax	8.8	112,139.74	-611
Other tax	8.9	-1,016.00	-16
Net profit / period income		6,978,451.32	8,380
thereof, attributed to:			
Shareholders of HAEMATO		6,978,451.32	7,940
Non-controlling shareholders		0.00	440
		6,978,451.32	8,380

* Accounting under IFRS

4. Consolidated cash flow statement

for the period from 1 January to 31 December 2014*

	2014	2013
	EUR	kEUR
Operating activities		
1. Earnings before taxes on income and profit minus other taxes	6,866,311.58	8,991
2. Depreciation / Amortisation	2,055,829.17	1,813
3. Change in long-term accruals	-57,637.27	-83
4. Change in financial asset valuation	-3,184,563.59	-2,174
5. Profit / loss from the disposal of fixed assets and from the sale of shares in subsidiaries	-4,447,067.73	-3,426
6. Interest and investment income	-184,915.76	-443
7. Interest expense	1,551,058.66	1,371
8. Change in trade receivables and other assets	6,645,338.65	-1,001
9. Change in inventory	-3,401,635.80	-4,135
10. Change in trade payables, other liabilities and accruals	2,988,555.87	-1,977
11. Cash Flow from company activities	8,831,273.78	-1,065
12. Interest income and dividends received	182,688.70	23
13. Interest expense paid	-1,551,058.65	-1,371
14. Income tax paid	-901,501.60	-1,412
	-2,269,871.55	-2,759
15. Cash Flow from operating activities	**6,561,402.23**	**-3,824**
Investment activities		
1. Payments for the acquisition of fixed assets and acquisition of subsidiaries	-5,645,409.18	-27,282
2. Proceeds from the disposal of fixed assets and the disposal of subsidiaries	3,812,848.00	30,854
3. Cash Flow from investment activities	**-1,832,561.18**	**3,572**
Financing activities		
1. Sale / purchase of own shares	430,000.00	5,045
2. Dividend paid	-6,233,669.40	-3,407
3. Change in bank loans	182,881.54	427
4. Cash Flow from financing activities	**-5,620,787.86**	**2,065**
Change in cash and cash equivalents due to change in companies consolidated	**0.00**	**-6,026**
Cash Flow	**-891,946.81**	**-4,213**
Cash and cash equivalents		
1. 31 December 2014 / 31 December 2013	2,423,713.03	3,316
2. 31 December 2013 / 31 December 2012	3,315,659.84	7,529
	-891,946.81	**-4,213**

* Accounting under IFRS

5. Consolidated equity change account

as of 31 December 2014*

	Share capital EUR	Acquired own shares EUR	Legal reserve EUR	Capital re- serve EUR	Balance sheet profit EUR	Other reve- nue reserve EUR	Capital reserve for own shares EUR	Sub-total EUR	Equity of shareholders of HAEMATO EUR	Non-con- trolling sharehold- ers EUR	Total equity EUR
1. As of 31 December 2012 / 1 January 2013	13,852,599.00	-1,324,484.00	1,155,154.89	230,105.01	18,912,226.58	652,130.37	-666,100.62	32,811,631.23	32,811,631.23	767,214.94	33,578,846.17
2. Period income	0.00	0.00	0.00	0.00	7,940,109.25	0.00	0.00	7,940,109.25	7,940,109.25	439,849.52	8,379,958.77
3. Own shares / Reclassification / Addition	0.00	1,324,484.00	0.00	0.00	875,227.01	3,484,188.42	666,100.62	6,350,000.05	6,350,000.05	-932,064.46	5,417,935.59
4. Dividends	0.00	0.00	0.00	0.00	-3,132,028.75	0.00	0.00	-3,132,028.75	-3,132,028.75	-275,000.00	-3,407,028.75
5. Increase in the share capital	6,926,299.00	0.00	0.00	7,341,876.00	0.00	0.00	0.00	14,268,175.00	14,268,175.00	0.00	14,268,175.00
6. As of 31 December 2013 / 1 January 2014	20,778,898.00	0.00	1,155,154.89	7,571,981.01	24,595,534.09	4,136,318.79	0.00	58,237,886.78	58,237,886.78	0.00	58,237,886.78
7. Period income	0.00	0.00	0.00	0.00	6,978,451.32	0.00	0.00	6,978,451.32	6,978,451.32	0.00	6,978,451.32
8. Dividends	0.00	0.00	0.00	0.00	-6,233,669.40	0.00	0.00	-6,233,669.40	-6,233,669.40	0.00	-6,233,669.40
9. As of 31 December 2014	20,778,898.00	0.00	1,155,154.89	7,571,981.01	25,340,316.01	4,136,318.79	0.00	58,982,668.70	58,982,668.70	0.00	58,982,668.70

* Accounting under IFRS

6. Consolidated assets development

as of 31 December 2014*

	Acquisition cost				Cumulative depreciation / amortisation				Book values	
	As of 01.01.2014 EUR	Addition/Recl. EUR	Disposal/Recl. EUR	As of 31.12.2014 EUR	As of 01.01.2014 EUR	Addition EUR	Disposal EUR	As of 31.12.2014 EUR	As of 31.12.2014 EUR	As of 31.12.2013 EUR
I. Intangible assets										
1. Intangible assets	13,697,031.34	712,030.32	0.00	14,409,061.66	5,695,565.33	1,943,186.32	0.00	7,638,751.65	6,770,310.01	8,001,466.01
2. Company value	34,583,688.64	0.00	0.00	34,583,688.64	0.00	0.00	0.00	0.00	34,583,688.64	34,583,688.64
	48,280,719.98	712,030.32	0.00	48,992,750.30	5,695,565.33	1,943,186.32	0.00	7,638,751.65	41,353,998.65	42,585,154.65
II. Fixed assets	727,673.61	881,386.50	-34,200.00	1,574,860.11	374,383.26	112,642.85	-5,700.00	481,326.11	1,093,534.00	353,290.35
III. Prepayments	100,199.68	857,888.96	-873,732.39	84,356.25	0.00	0.00	0.00	0.00	84,356.25	100,199.68
IV. Financial assets	1,738,341.12	4,067,835.79	-1,417,738.46	4,388,438.45	-498,366.51	0.00	-2,593,612.28	-3,091,978.79[1)]	7,480,417.24	2,236,707.63
TOTAL	50,846,934.39	6,519,141.57	-2,325,670.85	55,040,405.11	5,571,582.08	2,055,829.17	-2,599,312.28	5,028,098.97	50,012,306.14	45,275,352.31

* Accounting under IFRS

1) Appreciation of existing financial assets. A minus sign shows the appreciation above acquisition costs.

Notes to the consolidated financial statement

Notes to the consolidated financial statements

for the period from 1 January to 31 December 2014

1. General information

The HAEMATO AG was established on May 10, 1993. The company is registered in the commercial register of the local court Berlin-Charlottenburg under HRB 88633 and has its domicile in Berlin. Its business address is Lilienthalstr. 5 c, 12529 Schönefeld. The MPH Mittelständische Pharma Holding AG is the parent company of HAEMATO AG.

The HAEMATO Group operates in the pharmaceutical area.

The consolidated financial statements for the time period from January 1 to December 31, 2014 of HAEMATO AG was voluntarily prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied in the European Union. The values for the financial year 2014 are stated in EUR and for the previous year stated in kEUR. The new standards adopted by the IASB have been observed since the time they came into force.

The following standards and interpretations as well as modifications of existing standards must initially be applied in the financial year 2014, whereby this did not result in any significant impacts for the HAEMATO AG:

- **IFRS 10** – Consolidated financial statements (applicable for financial years commencing on or after the January 1, 2014.),

- **IFRS 11** – Common agreements (applicable for financial years, commencing on or after the January 1, 2014.),

- **IFRS 12** – Information on stakes in other companies (applicable for financial years, commencing on or after the January 1, 2014.),

- **IAS 27 (2011)** – Separate financial statements (applicable for financial years, commencing on or after the January 1, 2014.),

- **IAS 28 (2011)** – Shareholdings in associated companies and joint ventures (applicable for financial years, commencing on or after the January 1, 2014.),

- Modification to **IFRS 10, IFRS 12** and **IAS 27** – investment companies,

- Modification to **IAS 32** – Balancing of financial assets and debts,

- Modification to **IAS 36** – Information on recoverable amount for non-financial assets,

- Modification to **IAS 39** – novation of derivatives and continuation of hedge accounting.

The accounting and valuation was undertaken under the assumption of continuation of the company.

The consolidated financial statement is prepared in compliance with IAS 27.22 on the balance sheet date of the annual financial statement of the parent company, which is the balance sheet date for the annual financial statements of all affiliated companies at the same time.

The balance sheet of the HAEMATO Group has been prepared according to maturity aspects. Assets and debts, with realisation or redemption anticipated within twelve months after the balance sheet date, were classified as short-term in accordance with IAS 1. Deferred tax claims and deferred tax liabilities are each fully recognised in the long-term assets or long-term debts in accordance with IAS 1.56.

The profits and losses are listed in the consolidated income statement, which was compiled in accordance with the total cost method.

2. Basis of consolidation

Besides the HAEMATO AG, Sanate GmbH, Schönefeld, HAEMATO MED GmbH (formerly: Sanago GmbH), Schönefeld, and HAEMATO PHARM GmbH (formerly: HAEMATO PHARM AG), Schönefeld, have been included in the consolidated financial statements of HAEMATO AG for the current financial year from January 1 to December 31, 2014.

The consolidations performed are as follows:

- HAEMATO PHARM GmbH (from April 1, 2013, date of initial consolidation),
- HAEMATO MED GmbH (formerly Sanago GmbH - from May 22, 2013, date of initial consolidation),
- Sanate GmbH (from September 24, 2013, date of initial consolidation).

HAEMATO AG founded HAEMATO MED GmbH on May 22, 2013, resulting in no debit differences in the initial consolidation. The equity capital amounts to EUR 25,000.00.

HAEMATO PHARM GmbH founded Sanate GmbH on September 24, 2013, resulting in no debit differences in initial consolidation. The equity capital totals to EUR 25,000.00.

HAEMATO AG acquired the Castell Pharma B.V., Venray (Netherlands) in the course of the financial year 2013. As it is the case with all IFRS regulations, the global consolidation principle of IAS 27.12 is also subject to the "materiality reservation".

In association with a capital increase conducted at the HAEMATO AG, the HAEMATO AG has taken over all shares of the former HAEMATO PHARM AG, which now operates as HAEMATO PHARM GmbH. HAEMATO PHARM GmbH was acquired from the parent company. HAEMATO PHARM GmbH operates in the pharmaceutical area. The share capital amounts to EUR 500,000.00. HAEMATO PHARM GmbH has its own business operations as defined by IFRS 3.

After deduction of identifiable net assets (assets less liabilities) a business or company value was set at kEUR 31.737. The consideration transferred includes, amongst others, advantages from expected synergies, growth in sales and from future market trends. These advantages, that can not be recognised separately from business or company value, result in the above mentioned goodwill.

The reported consolidated financial assets are inter alia equity instruments of listed companies, on whose business no authority to dispose exists.

The participation quota of HAEMATO AG in the consolidated subsidiaries at the balance sheet date are as follows:

Name and office of the company	Share %
HAEMATO PHARM GmbH*, Schönefeld	100.00
HAEMATO MED GmbH**, Schönefeld	100.00
Castell Pharma B.V.***, Venray (Netherlands)	100.00
Sanate GmbH****, Schönefeld	100.00
HAEMATO ASIA Co. Ltd., Lam Luk Ka (Thailand)*****	40.00

* HAEMATO AG holds all shares of HAEMATO PHARM GmbH.

** HAEMATO AG holds all shares of HAEMATO MED GmbH.

*** HAEMATO AG holds all shares of Castell Pharma B.V.

**** HAEMATO PHARM GmbH holds all shares of Sanate GmbH.

***** HAEMATO PHARM GmbH holds 8,000 of 20,000 shares (40 %) of HAEMATO ASIA Co. Ltd.

The following companies were not consolidated:

- Castell Pharma B.V.,
- HAEMATO ASIA Co. Ltd.

Subsidiaries need not to be included if they are of subordinate significance for the revenue, financial and asset situation of the corporation. This regulation was utilised.

3. Consolidation principles

The annual financial statements of all the companies within the Group are compiled on the basis of a uniform accounting and valuation method on the balance sheet date of the HAEMATO AG (parent company).

The acquisition of business operations is reported according to the acquisition method. The consideration transferred for an acquisition is measured at fair value. Acquisition-related costs are fundamentally recognised in profit and loss as incurred. The identifiable assets and liabilities acquired - excluding deferred tax assets res. deferred tax liabilities - are measured at fair value. Deferred tax assets res. deferred tax liabilities were recognised and disclosed in accordance with IAS 12 „Income Taxes". The business or company value corresponds to the surplus of the sum of consideration transferred, the amount of all non-controlling interests in the acquired entity and the net amount of the identified assets and liabilities acquired at acquisition date. In the case of acquisitions until the financial year 2010, the capital consolidation have been accounted by using the revaluation method as at the acquisition date.

Receivables and debts between the consolidated companies as well as Group internal sales revenues, other Group internal revenues as well as the corresponding expenses are consolidated. Intercompany profits and losses are eliminated.

Tax deferrals are made with respect to consolidation procedures in accordance with IAS 12 to the extent to which the deviation in taxes payable will presumably be set off again in subsequent years of business.

4. Estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions which could influence the measurement and classification of assets, liabilities and financial obligations at the balance sheet date as well as the income and expenses in the reporting year. The actual amounts could deviate from these estimates and assumptions.

When applying accounting and valuation methods the management board makes discretionary decisions. In addition, the acquisition of the shares of HAEMATO PHARM GmbH in the last financial year required the determination of fair values of the acquired assets and liabilities at the date of acquisition as well as the impairment test of the acquired goodwill at the balance sheet date. When testing goodwill for impairment, it is necessary to calculate the value in use of the cash-generating unit to which the goodwill has been located. The calculation of the value in use implies the estimation of future cash-flows from the cash-generating unit and an appropriate interest rate for calculating the present value.

The determination of the fair values of assets and liabilities is based on the evaluations of the management.

The criteria used by the management for the evaluation of the appropriateness of the value adjustments on receivables are the maturity structures of the receivable balances, the credit rating of customers as well as changes in the conditions and terms of payment. In the event of deterioration in the financial situation of customers, the extent of the actual write-offs could exceed the extent of the expected write-offs.

The actual anticipated income tax must be calculated for every object of taxation and the temporary differences from the different treatment of certain balance sheet items between IFRS-consolidated financial statements and the statutory tax financial statements must be evaluated. As far as there are temporary differences, these differences lead fundamentally to the recording of active and passive deferred taxes in consolidated financial statements.

The management must make decisions in the calculation of actual and deferred taxes. Active deferred taxes are only applied to the extent that it is considered probable that they can be utilised. The utilisation of active deferred taxes is dependent on the possibility of achieving sufficient taxable income in the scope of the corresponding kind of tax. Different factors must be employed for the evaluation of the probability of the future utilisation of active deferred taxes, such as for example the profit position in the past, operative planning, and tax planning strategies. If the actual results deviate from these estimates or if these estimates must be adjusted in future periods, they could have negative impacts on the asset, financial and profit position. If there is any change in the recoverability assessment for active deferred taxes, the recognised deferred taxes must be devalued in terms of profit and loss.

5. Information on the consolidated balance sheet including the accounting and valuation methods

In preparing the consolidated financial statements of the associated Group companies, business transactions processed in currencies other than the functional currency (Euro) are converted at the exchange rate valid on the day of transaction. All monetary items in foreign currency are converted at the exchange rate valid on the balance sheet date. Non-monetary items in foreign currency which are evaluated according to the fair value must be converted at the exchange rates valid at the time of the assessment with the fair value.

▸ 5.1 Cash and bank balances

The liquid assets comprise mainly bank deposits and are recorded with their nominal values.

▸ 5.2 Trade receivables

Trade receivables, amounting to a total of kEUR 10,478 (previous year: kEUR 7,107), are recognised with application of the effective interest method minus any impairments. Impairment losses are recognised, if, as a result of one or more events, that occurred after the initial recognition of the asset, there is an objective indication of an impact on the expected future cash flows. The criteria, that leads to an impairment of trade receivables, relates to the default probability of receivables and to the estimated creditworthiness of customers.

▸ 5.3 Inventory

Under the inventory finished products are shown, which are evaluated with production costs. In accordance with IAS 2, all costs are included that incur in connection with the procurement of the respective inventories. There were no borrowing costs to be capitalised. The application of IAS 11 is not relevant.

▸ 5.4 Other short-term assets

The other short-term financial assets include only credits and receivables. Credits and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are evaluated according to the effective interest method at amortised cost minus impairments. The other short-term financial assets are recognised in the balance sheet at the date when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the contractual rights to cash flows from a financial asset expire or if the financial asset and all major risks and opportunities connected with the ownership of the given asset are transferred to a third party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The other short-term assets are amongst others sales tax refund claims and creditors with debit balance. The tax receivables are refundable trade and corporation tax, including solidarity surcharge.

▸ 5.5 Tangible and intangible assets

The tangible assets as well as the intangible assets are evaluated at acquisition costs under the application of IAS 16 res. IAS 38 - in case of temporarily limited use, reduced by depreciations according to schedule. If necessary, depreciations reduce the (continued) acquisition costs. A new evaluation of the tangible fixed assets corresponding to the existing option in accordance with IAS 16 did not take place.

The scheduled depreciations are carried out on a straight-line basis. The depreciations correspond to the pattern of consumption of the future economic benefits. The tangible and intangible assets are depreciated on a straight-line basis over various periods of useful life (three to 15 years).

In the case of the book value exceeding the foreseeable recoverable amount, an impairment to this value is undertaken in accordance with IAS 36. The recoverable amount is determined from the net proceeds from revenue or – if higher – the cash value of the estimated future cash flow from the utilisation of the item or asset.

A business or company value that was acquired by means of a company merger may not be amortised. Instead the acquirer must allocate it to cash-generating units of the Group and review it for impairment in accordance with IAS 36 at least once a year or more frequently if occurrences or changed circumstances indicate that an impairment could have occurred.

If the recoverable amount of a cash-generating unit is less than its book value, the impairment loss is allocated first to reduce the book value of the business or company value allocated to the unit and then to the other assets of the unit pro rata. Any impairment loss for the business or company value is recognised directly in profit or loss. An impairment loss recognised for the business or company value is not reversed in subsequent periods. The business or company value reported in the consolidated balance sheet of kEUR 34,584 was fully allocated to the pharma segment of HAEMATO PHARM GmbH as a cash-generating unit.

▸ 5.6 Financial assets

Under financial assets equity instruments of companies listed on the stock exchange are recognised. The shares were assigned to the category "recognised in profit or loss at fair value". The subsequent evaluation of the equity instruments was carried out at the market value on the relevant balance sheet date.

▸ 5.7 Other long-term assets

The long-term assets consist of deposits provided that are assessed at the nominal value of the deposits.

▸ 5.8 Other provisions

Other provisions comprise deferrals which are created if the Group has a current, legal or actual obligation resulting from an occurrence in the past if the outflow of economically useful resources in fulfilment of this obligation is probable and a reliable estimation of the amount of the obligation is possible. Provisions are rated with the value that is the best possible estimate of financial expenditure required for the fulfilment of the current obligation on the balance sheet date.

The table of provisions is the following:

Accruals	1.1.2014 kEUR	Used kEUR	Released kEUR	Added kEUR	31.12.2014 kEUR
Taxes	126	46	0	0	80
Costs of auditing and annual financial statements	137	125	12	80	80
Rental guarantees	69	29	0	6	46
Personnel / vacation entitlements	104	77	1	73	99
Supervisory board remuneration	20	12	8	20	20
Other	1,248	119	25	1,814	2,918
	1,704	408	46	1,993	3,243

As a result of a current tax audit for the years 2001 to 2005, the fiscal authority is refusing to recognise the tax loss carry forwards up to August 2, 2005 of Windsor AG due to a loss in commercial identity at this time in accordance with § 8 section 4 KStG/§ 10a GewStG. We do not agree with the legal opinion that has been communicated by the fiscal authority and even the Bundesfinanzhof (Federal Fiscal Court) decided otherwise in a similar case. For this reason, we have not created any tax accruals or provisions for the financial years concerned. At the moment we are engaged in a lawsuit, if necessary, we will pursue all legal channels. As a result of changed legal verdicts, the tax authority took a portion of the previously not accepted losses into consideration in March 2009. The maximum risk now stands at kEUR 154.

▸ 5.9 Short-term liabilities

The short-term liabilities to credit institutions as well as the liabilities from deliveries and services, the miscellaneous financial liabilities and the miscellaneous short-term liabilities are measured at amortisation cost under application of the effective interest method.

The other financial liabilities are mainly interest liabilities resulting from participation certificates in circulation on the balance sheet date that are not held by HAEMATO AG. The miscellaneous short-term liabilities amount to kEUR 2,148 (previous year: kEUR 1,245). These are mainly liabilities for salaries and turnover tax.

▸ 5.10 Long-term provisions

The long-term provisions relate mainly to the part of the provisions for document safekeeping obligations with a remaining period of more than one year. The rental guarantees of HAEMATO AG expire at December 31, 2015. For that reason rental guarantees are only included in the short-term provisions.

Accruals	1.1.2014 kEUR	Used kEUR	Released kEUR	Added kEUR	31.12.2014 kEUR
Rental guarantees etc.	69	69	0	0	0
Others	10	2	0	13	21
	79	71	0	13	21

▸ 5.11 Bonds (Participation Certificate of HAEMATO AG)

Under the item bonds issued participation certificates are shown. Participation certificate capital is a mezzanine financial instrument that presents equity capital elements as well as borrowed capital elements. In accounting in accordance with IFRS, only a presentation as borrowed capital is possible. Under ISIN DE 000A0EQVT2, a tranche amounting to million EUR 23.6 is traded on the Frankfurt Stock Exchange in the open market segment. All holders of the participation certificate receive a payout of 9 % of the nominal value prior to the profit share payout for HAEMATO AG shareholders from 2010 onwards. The participation certificates are made out in the name of the bearer and are divided into 500.000 parcels with a nominal value of EUR 100.00. The sale of participation certificates was discontinued in 2006. In the financial year 2011 the company decided to cancel repurchased participation certificates amounting to a value of million EUR 8.3, meaning that the amount of participation certificates issued on the balance sheet date was reduced to million EUR 5.3. On the balance sheet date HAEMATO AG held their own participation certificates amounting to a total nominal value of kEUR 103.0 (1.030 participation rights x EUR 100).

▸ 5.12 Long-term liabilities

Long-term liabilities to credit institution are balanced on application of the effective interest method.

▸ 5.13 Deferred tax claims and deferred tax liabilities

In the case of tax deductible temporary differences in association with shares in subsidiaries, a deferred tax claim is recognised only if it is probable that the reversal of the temporary difference will occur in the foreseeable future and corresponding taxable income can be anticipated.

The book value of the deferred tax claims is reviewed on every accounting balance sheet date and reduced if it is no longer probable that adequate taxable income will be available to utilise these claims.

The deferred tax is determined on the basis of the taxation rates that are valid or have been enacted in relation to the anticipated time when the deferred tax assets or liabilities are settled.

An offsetting of active and passive deferred taxes is undertaken only if a legal claim to the offsetting of actual tax refund claims and actual tax liabilities exists and the deferred tax claims and liabilities relate to income taxes that are levied by the same authority for the same object of taxation.

As of the reporting date no active deferred tax were reported.

For all taxable temporary differences, a deferred tax liability is recognised unless the deferred tax liability arises from

- a business or company value, for which an amortisation is not tax deductible, or

- the initial recognition of an asset or a liability in a business transaction, which is not a corporate merger and, at the time of the business transaction, neither influences the period result under commercial law nor the taxable income.

However, a deferred tax liability is recognised in taxable temporary differences in conjunction with shareholdings in subsidiaries unless the point of time of the reversal of the temporary differences can be controlled by the company and it is probable that it will not occur in the foreseeable future. The deferred taxes on December 31, 2014 relate to the following issues:

	31.12.2013 kEUR	Recognised in profit and loss kEUR	Not recognised in profit and loss kEUR	31.12.2014 kEUR
Temporal differences				
> Valuation of intangible assets	1,323	-253	0	1,070
> Fair value measurement of existing financial instruments	7	-7	0	0
> Valuation of foreign currencies as of the balance sheet date	0	6	0	6
Deferred tax liabilities	1,330	-254	0	1,076

In connection with the fair value assessment of existing financial instruments, it was necessary to carry deferred taxes as liabilities. The amount by which the fair values exceed the tax balance sheet values is kEUR 0 (previous year: kEUR 591). On application of the effective tax rate of 24.225 % (previous year: 22.825 %) and other components, this results in a deferred tax liability amounting to kEUR 0 (previous year: kEUR 7).

In addition, as of the reporting date there is a deferred tax liability of kEUR 6 (previous year: EUR 0) from the valuation of assets and liabilities denominated in foreign currency at the average spot exchange rate.

The remaining deferred taxes (effective tax rate of 24.225 %), amounting to kEUR 1,070 as of the balance sheet date (previous year: kEUR 1,323), result from the initial consolidation of an acquired subsidiary in 2009 res. 2013. Within the scope of initial consolidation intangible assets were disclosed with a total book value of kEUR 4,417 as of December 31, 2014 (previous year: kEUR 5,798).

▸ 5.15 Equity

The company's ordinary share capital amounting to EUR 20,778,898.00 is divided up into 20,778,898 no-par shares with a calculated nominal value of EUR 1.00 each. 2005, equity was upgraded by million EUR 6.75 by converting reserves of which million EUR 2.0 stemmed from contributions of shareholders (withdrawal from capital reserves) and million EUR 4.75 from the company's profit already paid taxes for. 235,066 new shares were issued in the first quarter of 2007. In this respect reference is made to the resolution of annual general meeting of June 18, 2005, authorising the management board, subject to the consent of the supervisory board, to increase the share capital. Thereby, the subscription (as for senior shareholders) or issue price amounted to EUR 6.00 per share each. The difference between the subscription and issuing price and nominal value of EUR 5.00 per share was stated as capital provision. 2011 another capital increase was realised in share capital amounting to million EUR 4.6 by converting reserves of which million EUR 4.6 stemmed from contributions of shareholders (withdrawal from capital reserves) and million EUR 1.1 from the company's profit already paid taxes for (withdrawal from revenue reserves).

In the first quarter 2013 the management board of the company resolved to increase the share capital of the company by EUR 6,926,299 from EUR 13,852,599.00 to EUR 20,778,898 by issuing 6,926,299 new ordinary shares in form of bearer shares against contribution in kind, utilising the Authorised Capital 2012 and with regard of § 4 par. 6 of the statutes.

Authorised Capital 2013: To adjust the authorisation to the share capital of the company increased in March 2013, the management board was authorised, according to the resolution of the annual general meeting of May 30, 2013, to issue, on one or more occasions, registered or bearer options or convertible bonds, profit participation rights or participating bonds res. combinations of these instruments up to a total of EUR 50,000,000.00 with or without limitation of maturities and to grant or impose option or conversion rights to the holders or creditors of bonds for registered shares in the company representing an proportionate amount of the capital stock in a total of EUR 4,989,449.00 as further specified in the terms and conditions of the bonds.

The revenue from the sale of own shares in 2006 till 2007 res. 2013 are stated in the other revenue reserves that have not been recorded in the Group profit and loss account, but rather directly in equity. As of the balance sheet date HAEMATO AG holds 0 of its own shares.

With regard to the development and composition of the equity capital, reference is made to the statement of changes in equity.

6. Statement of fixed assets

The composition and development of the fixed assets is presented in the table "Consolidated assets development".

7. Contingent liabilities and other financial obligations

Together with HAEMATO AG, HAEMATO PHARM GmbH is jointly and severally liable to Investitionsbank of Brandenburg to the amount of EUR 214,440.00 (enforceable guarantee), in order to cover liabilities from the subsidy relationship between ILB and the Simgen GmbH that has merged with HAEMATO PHARM GmbH. In addition HAEMATO PHARM GmbH is jointly and severally liable together with MPH Mittelständische Pharma Holding AG, in order to cover liabilities from the subsidy relationship between ILB and HAEMATO PHARM GmbH to the amount of EUR 1,478,400.00 (enforceable guarantee).

The claims from the contingent liabilities are not expected to be asserted based on the current creditworthiness and the beneficiaries' previous payment practices. There are no recognisable indications that would require a different assessment.

The other financial obligations are all within the scope of ordinary business.

8. Information on the consolidated profit and loss summary account

Principles of revenue recognition

Sales revenues resulting from the sale of pharmaceuticals are recorded on a monthly basis in accordance with the contractual agreements. Pharmaceuticals that are shipped lead to revenues as soon as they have been transferred to the shipping company.

Segment reporting in accordance with IFRS 8

IFRS 8 requires from companies the reporting of financial and descriptive information in relation to its segments with reporting obligations. Segments with reporting obligations represent business segments which fulfil specific criteria. Business segments are enterprise operating units for which separate financial information is existent. The segment reporting must therefore be inevitably oriented to the internal reporting system of the company (management approach). The internal governance of the company thus provides the basis for the segment reporting.

The HAEMATO AG is essentially active in one summarised business segment (pharma) and mainly in one regional segment (Germany), so that there is a practical release from the segment reporting obligation.

However, according to IFRS 8.31, one-segment groups are also obliged to indicate certain disaggregated financial data. These are information requirements that have to be represented according to the following criteria:

Products and services

All products (diverse pharmaceutical products) were summarised to a group of comparable products. Due to the large number of available pharmaceutical products the representation of product related turnover revenue is not expedient and due to lacking information also not possible. All turnover represented in the profit and loss calculation is largely related to the above described product group.

Geographic information

The HAEMATO Group is mainly active in the geographic segment Germany.

Key customers

Of the direct sales achieved in the Pharma segment amounting to kEUR 202,674 (previous year: kEUR 173,566), kEUR 9,837 (previous year: kEUR 18,670) relate to sales with the Group's largest customer.

In the financial year 2014 no single customer accounted for more than 5 % of the total Group revenues.

Expenses and gains of the financial year are accounted for – regardless of the time of their payment – when they have been realised. Revenues from the sale of assets and revenues from services are realised when the major chances and risks have passed and the amount of the expected return service can reliably be estimated.

▸ 8.1 Sales

The sales concern mainly revenues resulting from the sale of pharmaceuticals.

▸ 8.2 Material expenditures

The item material expenditure comprises all expenditure incurred in association with the purchase of pharmaceuticals.

▸ 8.3 Other operating income

The other operating income amounts to a total of kEUR 4,501 (previous year: kEUR 8,403), of which kEUR 1,120 (previous year: kEUR 2,642) relate to profits resulting from sales of subsidiaries.

▸ 8.4 Amortisations

The amortisations include scheduled amortisations on tangible assets and intangible assets amounting to kEUR 2.056 (previous year: kEUR 1,813). The tangible assets and the intangible assets are amortised on a straight-line basis over their different useful lives (three to 15 years).

▸ 8.5 Other operating expenses

Other operating expenses amounting to a total of kEUR 6,009 (previous year: kEUR 4,837), relate to a variety of single items. In particular, this includes rents, insurances and charges, repair and maintenance, advertising costs and travel expenses, legal and advisory costs and other operating expenses.

▸ 8.6 Other interest and similar income

The interest results from the granting of loans or from the investment of liquid assets at German credit institutions.

▸ 8.7 Interest expenses

The interests include expenses for interests of loans used res. interest payments spent on participation certificates placed in 2005 or 2006. The overall expenses total kEUR 1,551 (previous year: kEUR 1,371), thereof kEUR 469 (previous year: kEUR 469) account for the interest paid on the outstanding participation certificates as of the balance sheet date that are not held by HAEMATO AG.

The net results from the financial instruments corresponding to evaluation categories in accordance with IAS 39 are represented as shown below:

	Interest income + dividends 2014 kEUR	Interest income + dividends 2013 kEUR	Interest expenses 2014 kEUR	Interest expenses 2013 kEUR
Cash equivalents (other financial assets)	0	23	0	0
Credit and receivables (other financial assets and liabilities)	185	420	-469	-469
Liabilities recognised at amortised acquisition costs (other financial liabilities)	0	0	-1,082	-902
▸ Total net result	185	443	-1,551	-1,371
▸ recognised through profit and loss	185	443	-1,551	-1,371

▸ 8.8 Income tax

The Position is categorised as follows:

	2014 EUR	**2013** EUR
Tax expenditures of the current period	-142,219.90	-889,424.59
Deferred tax expenditures from valuation differences	-6,413.58	-10,387.51
Deferred tax revenue from valuation differences	260,773.22	288,618.96
	112,139.74	-611,193.14

The calculation of the deferred taxes is carried out company-related on application of different tax rates. With reference to IAS 12.81 c, the following tax rates are applicable:

	2014 %	**2013** %
Legal effective tax rate, Schönefeld	24.225	22.825

The statutory effective tax rate includes the corporation tax and the solidarity surcharge (effective rate: 15.825 %, previous year: 15.825 %) as well as the business tax (effective rate: 8.400 %, previous year: 7.000 %).

▸ 8.9 Other taxes

The other taxes are inter alia comprised of vehicle tax.

9. Earnings per share

The earnings per share are calculated from the division of the annual surplus by the number of shares issued. In accordance with IAS 33.19 in the determination of the undiluted results for each share, the number of ordinary shares of the weighted average number of ordinary shares in circulation during the period should be applied. Dilution effects should not be taken into account.

This results in the following:

	2014 EUR	2013 EUR
Profit for the financial year attributable to the equity holders of the parent company	6,978,451.32	7,940,109.25
Number of shares (weighted average)	20,778,898	19,583,794
Earnings per share	0.34	0.41

10. Information on members of the corporate bodies

Management board

Surname	First name	Position	Authority to act	Profession
Dr. Pahl	Christian	Board Member	Authorised to act solely	Master of Business Administration

The total remuneration of the management board in 2014 was kEUR 0 (previous year: kEUR 0).

Supervisory board

Surname	First name	Position	Profession
Grosse	Andrea	Chairwoman	Lawyer
Prof. Dr. Dr. Meck	Sabine	Deputy chairman	University Professor and Science Journalist
Dr. Braun	Marion	Member	Doctor

The total remuneration of the supervisory board in the financial year 2014 kEUR 53 (previous year: kEUR 47).

11. Number of employees

An average staff of 146 were employed by HAEMATO Group in the reporting period (previous year: 146).

12. Information on financial instruments according to IFRS 7

An analysis of the yields from financial investments structured according to the evaluation categories is represented below:

	2014 kEUR	2013 kEUR
Category		
Cash and equivalents	0	23
Receivables	185	420
Financial assets at fair value	3,185	2,174

The yields from credits and receivables are included in the interest returns. The yields from financial assets measured at fair value relate at kEUR 3,185 (previous year: kEUR 2,174) are income from appreciation of financial assets.

An analysis of expenses from financial investment grouped as financial assets and financial liabilities according to evaluation categories is presented below:

	2014 kEUR	2013 kEUR
Category		
Liabilities recognised at amortised acquisition cost	1,551	1,371
Financial assets at fair value	0	0

The expenses resulting from liabilities evaluated at amortised cost concern interest expenditure. The expenses resulting from financial assets measured at fair value relate to write-downs of financial assets.

Risk management policy and securing measures

The risk management system of the HAEMATO Group has the objective of early detection and recording of all significant risks and their causes in order to prevent financial losses, debt loss or disturbance.

The procedure ensures that appropriate countermeasures for risk avoidance can be implemented in good time. Management board and supervisory board are informed simultaneously. Significantly, this is an early detection system which serves the monitoring of the liquidity and the development of earnings.

The HAEMATO Group is exposed to general risks that could emerge due to changes in framework conditions as a result of legislation or from other directives. Since the business activities of the HAEMATO Group is essentially limited to Germany and such changes do normally not occur suddenly and surprisingly, as a rule, there is sufficient reaction time to react to changes.

Furthermore, risks emerge from investments in financial assets. Hereby fluctuation of financial assets can result depending on the respectively valid stock exchange prices as of the accounting date.

Debt and interest risk

The corporation has borrowed capital for the operative implementation of its business model. In 2014 bank liabilities of HAEMATO PHARM GmbH have increased only marginally to kEUR 23,303.5. Due to the low rate of interest, risk of changing interests are limited.

The short-term bank liabilities are comprised of several loans that were concluded to the following terms and conditions:

	Utilisation in kEUR	Conditions
Loan of kEUR 2,000, thereof used in form of short-term fixed-rate credits as of the balance sheet date	1,991	ca. 5.5 % p.a.
Loan of kEUR 2,000	2,000	3-months-EURIBOR + 2.50 % p.a.
Loan of kEUR 7,500	6,500	3-months-EURIBOR + 4.50 % p.a
Loan of kEUR 500	75	3-months-EURIBOR + 4.50 % p.a
Loan of kEUR 4,000	888	3-months-EURIBOR + 1.50 % p.a
Loan of kEUR 1,100	1,100	3-months-EURIBOR + 4.30 % p.a

The following applies for the **long-term liabilities to credit institutions which are subject to the risk of changing interest rates**:

	Utilisation in kEUR	Conditions
Loan of kEUR 2,750	2,750	3-months-EURIBOR + 4.30 % p.a.
Loan of kEUR 4,000	4,000	3-months-EURIBOR + 4.50 % p.a.
Loan of kEUR 4,000	4,000	3-months-EURIBOR + 3.15 % p.a

An increase in the rate of interest of the variable interest-bearing bank liabilities of the HAEMATO Group amounting to a total of kEUR 21,312 by 1 % leads to a rise in interest expenses by kEUR 213. A reduction of the interest of the variable interest-bearing bank liabilities of the HAEMATO Group by 1 % leads to a reduction of the interest expenses by kEUR 213.

The remaining financial liabilities are not subject to the risk of changes in interest, as the conditions are firmly agreed until the end of the term.

Fair values of financial instruments

Assets

31.12.2014 kEUR	short-term: Trade receivables	short-term: Other short-term financial assets	short-term: Cash and equivalents	Total book values	Fair value
Financial assets measured at amortised cost	10,478	2,743	2,424	15,645	15,645

31.12.2013 kEUR	short-term: Trade receivables	short-term: Other short-term financial assets	short-term: Cash and equivalents	Total book values	Fair value
Financial assets measured at amortised cost	7,107	11,277	3,316	21,700	21,700

The total sum of the book values res. of the fair values of the evaluated (through profit and loss statement) financial investments amounted to a total of kEUR 7,480 at the balance sheet date (previous year: kEUR 2,237).

In the instruments demonstrated in the tables above and below, the management board regards the book values in the consolidated balance sheet as a good approximation of their fair values.

Liabilities

31.12.2014 kEUR	short-term: Liabilities to credit institutions	short-term: Trade payable	short-term: Other financial liabilities	long-term: Liabilities to credit institutions and bonds	Total book values	Fair value
Financial liabilities measured at amortised cost	12,553	7,244	474	15,959	36,230	36,230

31.12.2013 kEUR	short-term: Liabilities to credit institutions	short-term: Trade payable	short-term: Other financial liabilities	long-term: Liabilities to credit institutions and bonds	Total book values	Fair value
Financial liabilities measured at amortised cost	11,271	6,660	1,272	17,059	36,262	36,262

Exchange rate risk

Exchange rate risks occur in the case of financial instruments dominated in a foreign currency, i.e. in a currency other than the functional currency (EUR). Certain business transactions (purchase of goods) in the corporation are conducted in foreign currencies, hence there are risks resulting from fluctuation in exchange rates. The book value of the monetary assets in foreign currency and liabilities of the corporation on the balance sheet date is defined as shown below:

	Assets		Liabilities	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Foreign currency	kEUR	kEUR	kEUR	kEUR
Norway (NOK)	0.1	20.2	2.0	0.0
Great Britain (GBP)	0.5	2.0	328.3	0.0
Czech Republic (CZK)	0.0	0.1	0.0	0.0
Poland (PLN)	0.2	0.8	0.0	0.0
Romania (RON)	0.2	1.1	0.0	0.0
Denmark (DKK)	521.2	263.3	3.7	5.4

Other price risk

Other price risks could result from increasing purchase prices. Long-term delivery agreements and similar measures that could limit these risks do not exist at the moment. The conclusion of such agreements would have a negative impact on the necessary flexibility of the management in the compilation of the pharmaceuticals to be sold, which are ordered according to demand.

Risk from payment defaults

The risk of the non-payment of claims resulting from the sale of pharmaceuticals is taken into account by means of corresponding individual and collective value adjustment. Moreover, a merchandise credit insurance has been concluded, serving the protection against the non-payment of claims. The maximum default risk of the financial assets is limited by the amount of the book values.

Liquidity risk

The Group controls liquidity risks by continuous monitoring of the forecast and actual cash flow and coordination of the payability profiles of financial assets and liabilities.

The expected cash flows of the financial liabilities (undiscounted redemption and interest payments) until December 31, 2014 and until December 31, 2013 are demonstrated in the following tables:

	Book values 31.12.2014 kEUR	Cash Flow up to 1 year kEUR	Cash Flow > 1 year to 5 years kEUR	Cash Flow > 5 years kEUR
Financial liabilities valued at amortised acquisition costs				
Provisions	3,264	3,243	21	0
Interest-bearing financial liabilities	28,513	12,554	10,750	5,209
Non-interest-bearing financial liabilities	7,718	7,718	0	0

	Book values 31.12.2013 kEUR	Cash Flow up to 1 year kEUR	Cash Flow > 1 year to 5 years kEUR	Cash Flow > 5 years kEUR
Financial liabilities valued at amortised acquisition costs				
Provisions	1,782	1,704	78	0
Interest-bearing financial liabilities	28,330	11,271	11,850	5,209
Non-interest-bearing financial liabilities	7,932	7,932	0	0

The financial liabilities bearing no interest relate at kEUR 7,244 (previous year: kEUR 6,660) to the liabilities resulting from deliveries and services as well as at kEUR 474 (previous year: kEUR 1,272) to the other short-term financial liabilities.

Consolidated cash flow statement

The consolidated cash flow statement shows how the funds of the HAEMATO Group have changed in the course of the reporting year due to cash inflow and outflow. In this consolidated cash flow statement, the cash flows are structured according to operating, investment and financing activities. The financing funds include short-term available liquid assets amounting to kEUR 2,424 (previous year: kEUR 3,316).

13. Information on fees for the auditor

For the expected fees of Gieron & Partner GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, provisions to the amount of kEUR 30 for final examinations were formed for the financial year 2014.

14. Information on relationships with related companies and persons

Regarding management board and supervisory board we refer to section 10. The following business transactions were performed with closely associated companies and individuals:

In association with the sale of Windsor Grundbesitz AG from HAEMATO AG to MPH Mittelständische Pharma Holding AG in the financial year 2013 there was a subsequent purchase price increase in 2014 amounting to kEUR 1,120. This was compensated by MPH Mittelständische Pharma Holding AG.

In the financial year 2014 HAEMATO PHARM GmbH received a short-term loan to the amount of kEUR 500. Pursuant to the agreement, this loan has an interest rate of 5.0 % p.a. This loan was completely paid back in the course of the financial year.

In the financial year 2014 HAEMATO AG has granted a loan of kEUR 36 to HAEMATO MED GmbH (formerly Sanago GmbH). This loan has an interest rate of 5 % p.a. and is to be paid back by October 15, 2015. As of the record date the outstanding balance amounts to EUR 36,482.50.

Furthermore, HAEMATO MED GmbH (formerly Sanago GmbH) has received a loan to the amount of kEUR 50 in the financial year 2014. This loan has an interest rate of 5 % p.a. By resolution of HAEMATO AG of December 19, 2014 a contribution of kEUR 50 to the capital reserve of HAEMATO MED GmbH was decided in order to strengthen the working capital.

HAEMATO PHARM GmbH sold to Pharmigon GmbH, which is associated with the HAEMATO Group, pharmaceuticals to a total of kEUR 728. HAEMATO PHARM GmbH bought pharmaceuticals from Dr. Fischer Medical Care GmbH, which is associated with the HAEMATO Group. The purchasing volume totalled kEUR 13,456. At the same time HAEMATO PHARM GmbH sold goods to Dr. Fischer Medical Care GmbH. In the financial year 2014 sales amounted to kEUR 595.

There were no further business relationships with closely associated companies and individuals in the business year 2014.

15. Events after the financial statement date

No essential events have occurred after the financial statement date until March 5, 2015.

Schönefeld, March 5, 2015

Dr. Christian Pahl
(Management Board)

16. Audit‘s opinion

To the HAEMATO AG, Berlin

"We have audited the consolidated financial statements established by HAEMATO AG – consisting of consolidated balance sheet, consolidated income statement, consolidated cash flow statement and statement of changes in consolidated equity as well as the notes to the consolidated financial statements - and the Group management report of HAEMATO AG for the financial year from January 1, 2014 to December 31, 2014. The establishment of the consolidated financial statements and the Group management report according to the International Financial Reporting Standards (IFRS), as applicable in the EU lies within the responsibility of the legal representatives of the company. Our task is to provide a judgment on the consolidated financial statements and on the Group management report on the basis of the examination conducted by us.

We have conducted our Group audit according to § 317 HBG in consideration of the German Generally Accepted Standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). According to them, the audit must be planned and conducted in such a way that mistakes and violations that have a significant impact on the reflection of the assets, financial situation and profitability by the consolidated financial statements respecting the applicable accounting rules and by the Group management report, can be detected with sufficient certainty. When the audit measures are determined, knowledge about the business activity and about the economic and legal context of the Group as well as the expectations about possible mistakes are taken into consideration.

Within the auditing, the effectiveness of the accounting-related internal control system and evidence for the information in the consolidated financial statements and the Group management report are evaluated mainly on the basis of samples. The audit comprises the judgment on the annual financial statements of the companies included in the consolidated financial statements, the delimitation of the basis of consolidation, the accounting and consolidation principles applied and the essential opinions of the legal representatives and the assessment of the global presentation of the Group financial statements and the Group management report.

We are of the opinion that our audit forms a sufficiently safe basis for our judgment.

Our audit has led to no objections.

In our opinion on the basis of the knowledge gained during the audit, the consolidated financial statements of HAEMATO AG, Berlin, comply with the IFRS, as they are applicable in the EU, and correctly reflect, in application of these regulations, the situation of the Group’s assets, financial position and profitability".

The Group management report is in line with the consolidated financial statements, globally reflects a correct representation of the Group’s situation and correctly presents the chances and risks of future development.

Berlin, 19.03.2015

Gieron & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dipl. Kfm. Bernhard Kaiser
Auditor

Further information

1. The share

Classes of shares	Bearer shares
WKN / ISIN	619070 / DE0006190705
Number of shares	20,778,898
Stock symbol	HAE
Listing	Frankfurt Stock Exchange
Stock market segment	Entry Standard (Open Market)
Designated Sponsor, Listing Partner	ICF Kursmakler AG
Nominal capital	20,778,898.00 EUR
First day of trading	05.12.2005
Coverage	ODDO SEYDLER BANK AG

2. The participation certificate

WKN / ISIN	A0EQVT / DE000A0EQVT2
Stock symbol	HAE1
Type / Certification	Bearer instruments, global certificate
Initial listing	2005
Basic value per certificate	100 EUR (minimum investment)
Maturity	Unlimited term
Annual distribution	9.00 % p.a. relating to nominal value of the participation certificate (depending on balance sheet profit of HAEMATO AG)
Date of payment	Subsequently on first bank working day following the annual general meeting of HAEMATO AG
Market place	Frankfurt Stock Exchange

3. Glossary

AMNOG
German law for the restructuring of the pharmaceutical market, which came into force on 1 January 2011.

Approval
An official authorisation which is required to be able to offer, distribute or provide an industrially produced, ready-to-use drug.

Balance sheet profit
Balance of net profit of the financial year, profit or loss carried forward and appropriation of profits.

Cash Flow
An economic indicator informing on the liquidity of a company. It represents the increase of liquid funds during a period.

DAX
DAX is the most important German share price index. It reflects the development of the 30 largest companies in Germany with the highest turnover.

Dividend
This is the part of distributed profit of a stock corporation attributed to an individual share.

Earnings per share
The earnings per share result from dividing the group result by the weighted average of the number of shares. The calculation is made according to IAS 33.

EBIT
It means earnings before interest and taxes and is an indicator of the operating profit of a company in a given period.

EBITDA
It means earnings before interest, taxes, depreciation and amortisation and corresponds to the EBIT plus depreciation and amortisation of tangible and intangible assets.

GKV
Statutory health insurance: forms part of the german health system and is mandatory for all of the employees, whose annual remuneration is below the mandatory threshold for health insurance, and for many other person.

Oncology
Oncology is the science dealing with cancer.

Patent
In application to drugs: for a newly developed pharmaceutical agent, an industrial property right is granted. In the EU, this market exclusivity limited in time can last up to 20 years.

Patent-free drugs
Patent-free agents are also called generic drugs. A generic drug is a drug that is a copy of another drug already on the market under a brand name with the same active agent. Generic drugs are therapeutic equivalents to the original preparation

Patent-protected drugs
Branded drugs that on the one hand are marketed by the patent owner and on the other hand are purchased for a lower price within the EU member states as EU imported drugs on the basis of the legal base of the import.

rx-bound drugs
is an adapted spelling of the symbol ℞ , that originates from the medieval manuscripts and stands for „recipe‟ („take‟). In the Anglo-Saxon area the term refers to prescription medicine.

4. Sources

1 cf. Institut für Weltwirtschaft: Weltkonjunktur im Herbst 2014. Kiel, 10.09.2014, p. 23.
2 cf. Institut für Weltwirtschaft: Kieler Konjunkturberichte 2014 / Q4. Weltkonjunktur im Winter 2014. Kiel, 17.12.2014, p. 1.
3 cf. Institut für Weltwirtschaft: Kieler Konjunkturberichte 2014 / Q4. Weltkonjunktur im Winter 2014. Kiel, 17.12.2014, p. 2, 11.
4 cf. id., p. 3.
5 cf. id., p. 2.
6 cf. id., p. 4.
7 cf. id., p. 5.
8 cf. Statistisches Bundesamt: Bruttoinlandsprodukt im 4. Quartal 2014 kräftig gestiegen. Press release of February 13, 2015 – 48/15.
9 cf. Statistisches Bundesamt: Deutsche Wirtschaft im Jahr 2014 in solider Verfassung. Press release of February 13, 2015 – 16/15, p. 1.
10 cf. Deutsche Bundesbank: Monatsbericht Januar 2015. Volume 67, No. 1, 16.01.2015, p. 5.
11 cf. Egeler, Roderich: Bruttoinlandsprodukt 2014 in Deutschland. Press conference of the Federal Statistical Office January 15, 2015, Berlin, p. 5.
12 cf. id.
13 cf. id. p. 3.
14 cf. Institut für Weltwirtschaft: Kieler Konjunkturberichte 2014 / Q4. Deutsche Konjunktur im Winter 2014. Kiel, 17.12.2014, p. 1.
15 cf. IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, p. 5.
16 cf. BPI Bundesverband der Pharmazeutischen Industrie e.V.: Pharma-Daten 2014, 44. revised edition, October 2014, Berlin, p. 44.
17 cf. id., 48f.
18 cf. IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, p. 1, 4.
19 cf. id., p. 8.
20 cf. id., p. 13.
21 cf. Deloitte Touche Tohmatsu Limited: 2014 Global life science outlook. Resilience and reinvention in a changing marketplace. 2013, p. 16.
22 cf. IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, p. 5.
23 cf. IMS HEALTH GmbH: IMS Marktbericht. Entwicklung des deutschen Pharmamarktes im Dezember und in Jahr 2014. February 2015, Frankfurt am Main, p. 8ff.
24 cf. id., p. 14ff.
25 cf. id., p. 17.
26 cf. id., p. 30.
27 see: IMS Health Inc.: IMS Health Market Prognosis, March 2014; IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, S 33.
28 see: id., S 11.
29 cf. Deloitte Touche Tohmatsu Ltd: 2015 Global life sciences outlook. Adapting in an era of transformation. p. 14.
30 cf. IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, p. 19.
31 cf. Deloitte Touche Tohmatsu Ltd: 2015 Global life sciences outlook. Adapting in an era of transformation. p. 14.
32 cf. Pro Generika: Marktdaten 11/2014, p. 3.
33 cf. IMS HEALTH GmbH: IMS Marktbericht. Entwicklung des deutschen Pharmamarktes im Dezember und in Jahr 2014. February 2015, Frankfurt am Main, p. 22f.
34 cf. DAZ.online: Rückblick auf 2014. 992 neue Spar-Möglichkeiten durch Generika. 05.01.2014.
35 cf. Pro Generika: Marktdaten 11/2014, p. 8.
36 cf. IMS Health: Parallelhandel: Welche Faktoren bestimmen den Warenstrom in Europa? Frankfurt 2014, p. 3.
37 cf. id., p. 8f.
38 cf. Prognos AG: Studie. Import von Arzneimitteln. Einsparungen für das Gesundheitswesen in Deutschland. Aktualisierung 2013/2014. Berlin, 03.12.2014, p. 8.
39 cf. IMS Health: Parallelhandel: Welche Faktoren bestimmen den Warenstrom in Europa? Frankfurt 2014, p. 8.
40 cf. Prognos AG: Studie. Import von Arzneimitteln. Einsparungen für das Gesundheitswesen in Deutschland. Aktualisierung 2013/2014. Berlin, 03.12.2014, p. 10-15.
41 see: Apotheke-aktuell: Importe sparen mehr als die frühe Nutzenbewertung. 25.09.2014; Prognos AG: Studie. Import von Arzneimitteln. Einsparungen für das Gesundheitswesen in Deutschland. Aktualisierung 2013/2014. Berlin, 03.12.2014, p. 11.
42 cf. IMS Health: Parallelhandel: Welche Faktoren bestimmen den Warenstrom in Europa? Frankfurt 2014, p. 11.
43 cf. IMS Institute for Healthcare Informatics: Global Outlook for Medicines Through 2018, November 2014, p. 20ff.

Imprint

Business address:
Lilienthalstraße 5c
12529 Schönefeld

Phone: +49 (0) 30 897 30 86-70
Fax: +49 (0) 30 897 30 86-79

E-Mail: info@haemato.de
Web: www.haemato.de

Investor Relations:
ir@haemato.de

Supervisory board:
Chairwoman: Andrea Grosse
Deputy chairwoman: Prof. Dr. Dr. Sabine Meck
Member: Dr. med. Marion Braun

Management board:
Dr. Christian Pahl

Registered office:
Berlin, Amtsgericht Charlottenburg, HRB 88633 B

Conception, design and realisation:
HAEMATO AG

Photos:
Fotolia

HAEMATO AG
Lilienthalstraße 5c
D-12529 Schönefeld

Phone.:+49 (0) 30 897 30 86-70
Fax: +49 (0) 30 897 30 86-79

info@haemato.de
www.haemato.de